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FISCAL IMPACT REPORT

ORIGINAL DATE 1/28/10

SPONSOR Payne LAST UPDATED _____ HB _____

SHORT TITLE Military Veteran Lottery Scholarships SB 134

ANALYST Hoffmann

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY10	FY11	FY12	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total	0	\$176.0	\$176.0	\$352.0	Recurring	Lottery tuition

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 134 amends Section 21-1-4.3 NMSA 1978 to allow armed forces veterans to attend one of the state educational institutions specified in the statute, and apply for a legislative lottery scholarship within one year of completion of honorable service or medical discharge. In order to be eligible, the veteran must have begun service in the armed forces within one hundred twenty days of completion of a high school curriculum at a public or accredited private New Mexico high school or of receiving a graduate equivalent diploma.

FISCAL IMPLICATIONS

The DFA states “It is difficult to determine the exact number of individuals who would participate in the lottery program under the new provisions in Senate Bill 134. Veteran status is not recorded in most financial aid office records. If Senate Bill 134 resulted in an additional 50 – 100 veteran recipients of the lottery scholarship, the estimated cost to the lottery scholarship fund would be \$117,000 - \$235,000 annually. For the purposes of this FIR, the projected cost is about \$176,000 but may be modified pending additional information about existing veteran use of the lottery scholarship program.” Given the absence of verifiable data, the LFC analysis accepts this as a reasonable estimate. The DFA analysis notes that this would be a recurring cost, and this is reflected in the “ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT” table above.

Additional fiscal impact to the lottery tuition fund may result from other legislation proposing to widen the distribution of this fund (see RELATIONSHIP below).

PERFORMANCE IMPLICATIONS

The DFA notes that it is not possible to determine exactly how many additional veterans can be reached by this expansion of eligibility.

ADMINISTRATIVE IMPLICATIONS

The HED claims that there would not be significant administrative changes in implementing the lottery scholarship program; the change in eligibility date would be communicated to the relevant institutions by HED staff upon enactment of this bill.

RELATIONSHIP

House Bill 102 relates to Senate Bill 134 by proposing to include students at tribal colleges for eligibility to accept students with lottery scholarships.

Senate Bill 21 proposes to transfer five percent of the lottery tuition fund out for use in graduate student scholarships.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

According to the PED, the veteran's legislative lottery scholarship window will remain at 120 days and prevent some veterans from receiving the scholarship.

CH/mt